customers of new entrants would, in effect, pay all the costs of implementing portability while obtaining only some of the benefits. The customers of incumbents, on the other hand, would pay nothing at all even though they would benefit from the introduction of competition.[23/] This is patently unfair and economically inefficient to boot.

Incumbents argue that they should not be required to pay for the costs of portability because they will not benefit. This is untrue. Incumbents will benefit from portability because they will be able to compete for the customers of new entrants. The incumbents' real argument is that they do not want to pay for portability because they recognize their current advantage and want to perpetuate it. That is bad public policy. Incumbents' complaints about the costs of portability are a smokescreen for their real agenda, which is to delay the advent of competition and to handicap competitors in every way possible.

For this reason, the Commission should place a heavy burden on LECs to fully justify their estimates of the costs of number portability. The LECs will include every conceivable cost in their estimates, will allocate unrelated costs to number portability and inflate the costs they describe. The reality, of course, is much different. Number portability is likely to use many existing facilities and capabilities. As a result, many, if not most, costs associated with incumbent LEC implementation of portability already have been incurred for other purposes.

23/ Incumbents' customers might pay indirectly, however, because their carriers would be able to charge more for their services as a consequence of the additional costs that new entrants would have to recover from their customers. The beneficiaries of this increased

A focus on implementation of service provider local number portability also will limit the costs of implementing portability because service provider portability requires relatively few changes to existing systems for billing and other administrative functions. The phased transition proposed in these comments also will reduce the costs of implementing portability because it will permit carriers to plan for the most efficient possible implementation of the ultimate portability solution

IX. Other Issues

There are certain other issues that the Commission should consider in this proceeding. Addressing these issues will ensure that the implementation of service provider local number portability is seamless for all consumers. First, the Commission should require basic telephone features to continue to function under portability. Second, the Commission ultimately should require all numbers, including non-geographic numbers, to be portable.

There are certain basic telephone features that must be maintained as competition develops, and the implementation of number portability cannot affect those features. In a portable environment, current public safety functions, specifically 911 (or E-911 where that service is available) and intercept service must continue to operate seamlessly. It also is important that directory assistance continue to be available. The Commission should mandate that these features operate as they do today in a portable environment.

The Commission should renew its commitment to portability for non-geographic numbers as well as geographic numbers. The Commission has required efforts to make 500 numbers portable, and recently has been requested to require portability of 900

numbers.[24/] Other non-geographic numbers, such as 888 and subsequently assigned NPA codes for PCS, should be portable from the start. The benefits of portability for non-geographic numbers are at least as significant as those for geographic numbers and, as the 800 experience demonstrates, portability significantly enhances competition. Thus, the Commission should ensure that service provider local number portability is available as new telephone services are introduced.

X. Conclusion

The availability of true service provider local number portability is crucial to the development of local telephone competition. Given the tremendous consumer benefits that competition will create, the Commission should act as swiftly as possible to adopt the number portability principles explained in these comments. For all of these reasons, the

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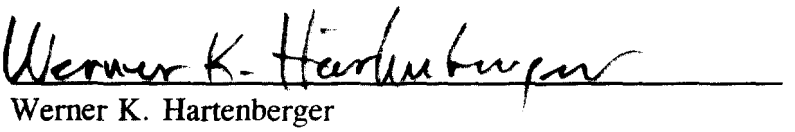
24/ *See* Ameritech Operating Companies, *et al.*, Petitions for Waiver of Sections 69.4(b) and 69.106 of Part 69 of the Commission's rules, *Order*, 9 FCC Rcd 7873 (1994) (500 numbers); Petition for Rulemaking by Teleservices Industry Association, RM No. 8535 (filed Oct. 18, 1994).

Ad Hoc Coalition of Competitive Carriers respectfully requests that the Commission act in accordance with the proposals contained herein.

Respectfully submitted.



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September 12, 1995

APPENDIX

NUMBER PORTABILITY PRINCIPLES

The following are principles that should guide the Commission's implementation of local telephone number portability.

1. **The number portability network model must be consistent nationwide and its implementation must support all industry segments.**

   Without a consistent nationwide model for number portability, a patchwork of systems could develop, each with different technical requirements and each using different information. In practice, an environment with differing regional topologies could be difficult to implement and would impose significant costs on carriers serving multiple markets. For similar reasons, it is important to adopt an architecture that supports all industry segments.

2. **The transition to number portability must be accomplished within 24 months of a Commission order or within 24 months of a *bona fide* request for portability.**

   Incumbent local carriers have little incentive to implement portability in the absence of a timetable because local number portability is vital to full and fair local competition. Therefore, the Commission must set a strict timetable for implementation of service provider local number portability. A phased schedule that sets a date certain for implementation of portability in larger markets and permits implementation of portability to be driven by market demand in other areas best balances the needs of new telephone competitors and existing telephone companies.

3. **The implementation of number portability should minimize expense, optimize functionality and correspond to market demand.**

   Any number portability architecture should be judged on the basis of both its functions and its costs. An architecture that does not provide the minimum necessary functionality, *i.e.*, the ability of customers to keep their current telephone numbers when they change carriers without impairment of features or service quality, should be deemed unacceptable. The Commission should consider the costs of various architectures when determining which should be adopted. An architecture that permits phased implementation of portability will allow implementation of number portability to follow market demand and will accommodate State efforts to implement portability on a fast track.

4. **Industry standards should be developed quickly to permit number portability to be implemented promptly.**

It is vital for the Commission to spur the prompt development of industry standards for the implementation of service provider local number portability. These standards can be developed through industry forums, such as the Industry Numbering Committee and Committee T-1, and through cooperation between the Commission and state regulatory bodies. To ensure timely implementation, the Commission should retain ultimate oversight of this process. Without Commission oversight, it is likely that delays will result.

5. **The number portability architecture should focus on service provider local number portability but provide for scalability to incorporate functionalities that may be necessary or desirable in the future.**

The Commission's primary focus in this proceeding should be on the implementation of service provider local number portability. Service provider local number portability is vital to the development of competition. At the same time, the Commission should recognize that some other forms of portability may be desirable in the future and that there may be a need for features that are not necessary to the development of service provider local number portability. The number portability architecture should have the flexibility to adapt to such changing needs. This "scalability" concept has been adopted in the Advanced Television proceeding and applies equally well to number portability.

6. **The number portability plan should minimize the use of scarce numbering resources.**

Because use of numbering resources can have significant effects on customers as area codes exhaust, the Commission should favor a solution that minimizes the use of numbering resources. In addition, the implementation of service provider local number portability is likely to have a beneficial effect on the availability of numbering resources because portability will result in more efficient use of existing resources than the current regime. Swift implementation of portability, in and of itself, will help to conserve numbering resources.

7. **The number portability plan should avoid creation of bottlenecks or monopolies for any carrier or market segments.**

The most important reason to require the implementation of number portability is that portability is essential to the development of local telephone competition. Consequently, it is imperative that the Commission avoid

creating new bottleneck monopolies as it adopts a number portability solution. In particular, architectures that require a particular carrier (*i.e.*, the carrier who originally served the customer) to handle all ported calls or that do not permit a carrier to maintain its own number portability database are unacceptable because they would vest power in existing carriers or a single entity.

8. **The number portability model should permit originating, intermediate and terminating carriers to control network routing for their customers.**

It is crucial that all carriers have the ability to control the routing of calls to ported numbers. The ability to tap a portability database and route calls adds a necessary safety net to portable call processing when one or more of the carriers transporting a call are unable to perform the required portability functions. Such an architecture also will enable carriers to offer their customers new features that use number portability information.

9. **Customers must receive seamless service without any loss of service quality or available features.**

The essence of true local number portability is that the use of a ported number should have no effect on the service a consumer receives. The Commission should seek a number portability architecture that causes no meaningful degradation in the quality of service consumers receive. In particular, there should be no significant deterioration of sound quality, call set-up time and availability of service. The architecture also should permit existing features, including CLASS features, to continue to operate.

10. **Each carrier should bear its own implementation and operational costs for service provider local number portability.**

Number portability will benefit all telephone consumers, including those customers who do not wish to switch carriers. It also ultimately will benefit all carriers as they compete for each other's customers. Thus, there is no basis for distinguishing between carriers that "benefit" from portability and those that do not for the purpose of assigning costs. Implementing number portability simply will be a cost of doing business to be recovered from general revenues, just as carriers recover costs for their investment in billing systems, switches and outside plant